

DEPARTMENT OF FINANCE  
UNIFORM CODES MANUAL  
OBJECT (LINE ITEM)

Object codes (line items) are used to budget, account, and report costs according to the types of goods or services purchased/consumed. Object codes are **not** intended to show the purpose or function served or accomplished by the proposed or actual disbursement. In order for object data to be meaningful, object codes must be used consistently by and between departments from year-to-year.

This section shows the object codes and titles to be used for:

- Departmental Accounting Code Requirements - 'X' identifies the minimal level of accounting and reporting for manual and automated systems.
- "Authorized Budget" - 'X' identifies the minimum budgetary reporting.

This section also includes the reportable payments indicator column "FB R". FB identifies the form (Annual Information Return (Form 1099)) and the Box number on the form. R identifies the reportable payments code as defined in the State Administrative Manual Section 8422.19. The payments identified in this column typically represent purchased services and similar payments that are required to be reported when made to certain types of taxpayers. When this designation is used in conjunction with information obtained from the Vendor Data Record (STD. For 204), transactions required to be reported on Form 1099 may be automatically identified. In some automated accounting systems. Including CALSTARS, the identification of reportable transactions is determined using this designation. In this case, object codes containing a value in the "FB R" column should be used only for purchased services.

Departments may account for objects in more detail than are shown in this section. However, such object detail maintained in departmental systems must accumulate logically into the object codes identified/authorized in this section.

Questions regarding object codes should be directed to the Department of Finance, Fiscal Systems and Consulting Unit at (916) 324-0385 or CALNET 454-0385; or the California State Accounting and Reporting System (CALSTARS) 'Hotline' at (916) 327-0100 or CALNET 467-0100.

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CODE STRUCTURE DESIGN

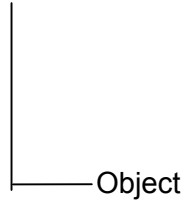
Level #1

X



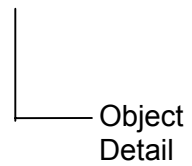
Level #2

XX



Level #3

XXX



CATEGORY TITLE

CODE NUMBER SERIES

	<u>Category</u>	<u>Object</u>	<u>Detail</u>
Personal Services	1	01-09	001-199
Operating Expense & Equipment	3	10-39	200-599
Special Items of Expense	4	40-55	600-659
Unclassified	5	56-59	660-699
Local Costs	6	60-69	700-799
Capital Costs	8	70-89	800-899
Internal Cost Recovery	9	90-99	900-999
Unassigned	2,7	Various	Various

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Objects of expenditure are budgeted, accounted, and reported in the following seven categories. These categories and the related object and object detail codes classify costs according to the types of goods or services purchased.

- Personal Services,
- Operating Expenses and Equipment,
- Special Items of Expense,
- Unclassified,
- Local Costs,
- Capital Costs, and
- Internal Cost Recovery.

A broader classification of expenditure provided for in the UCM is character. Character, which is described in the Funding Source/Appropriation section of the UCM, identifies the major purpose of an appropriation. The three characters of appropriation are Support (State Operations), Local Assistance and Capital Outlay. While character and category are independent classification structures, there is usually a common relationship between the two. Typically, support appropriations will include the purchase of goods or services in the categories of personal services, operating expenses and equipment, special items of expense, and internal cost recovery. Local assistance appropriations are associated with the category of local costs and capital outlay appropriations include the capital costs category. While these associations between character and category are typical, there can be exceptions in unique or particular situations. The unclassified category does not have a particular association with a specific character of appropriation. Each of these categories is defined below.

#### PERSONAL SERVICES

Personal services includes salaries and wages, staff benefits, merit suggestion awards, and retroactive pay adjustments. Personal services costs do not include services obtained under contract.

##### Salaries and Wages

Salaries and Wages includes compensation to employees for services. The Salaries and Wages Classification is subdivided into:

Civil Service,  
Exempt/Statutory, and  
Overtime

Civil Service  
Civil Service includes salaries and wages of State civil service positions.  
The civil service classification is subdivided into:

Permanent/limited term  
Temporary Help

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Permanent/limited term

Permanent includes salaries and wages for legislatively authorized positions of an ongoing nature. Limited term includes salaries and wages for positions that are work or administrative adjustments or legislatively authorized for a specific period of time.

Temporary Help

Temporary help includes salaries and wages for positions authorized by a specific allotment (blanket).

Exempt/Statutory

Exempt/Statutory includes salaries and wages for positions exempt from civil service or for positions established by law.

Overtime

Overtime includes salaries and wages for additional time worked.

Staff Benefits

Staff benefits includes the State's contributions to OASDI, dental, health and welfare benefits, retirement, workers' compensation, disability leaves, and unemployment insurance.

OPERATING EXPENSES AND EQUIPMENT

Operating expenses and equipment (OE&E) includes costs of goods and services (other than personal services previously defined) that are used by the departments. All operating expense and equipment costs must be coded according to the schedule set forth.

SPECIAL ITEMS OF EXPENSE

Special items of expense include large or special purpose expenditures that normally require separate appropriations, are more clearly presented if reported separately, or do not conform easily to the uniform expenditure objects.

UNCLASSIFIED

Unclassified includes budget revisions which have not been allocated to other categories. Unclassified is used only for budgetary information. Expenditures will not be charged to this category.

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## LOCAL COSTS

Local costs includes costs of assistance to local entities (e.g., counties, cities, municipalities, special districts, etc.). These costs are usually listed separately in the Governor's Budget and Budget Act.

## CAPITAL COSTS

Capital costs is divided further into major capital projects (cost \$250,000 or more) and minor capital projects (those which cost less than \$250,000) as defined in the State Administrative Manual (SAM) Section 6530. The following costs are to be included as part of capital costs:

- land and costs related thereto, including court costs, condemnation costs, legal fees, title fees, etc.,
- construction projects, including preliminary plans, working drawings, alterations, and extensions or betterment of existing structures, and
- equipment installed during construction or equipment required before the project can become operational.

## INTERNAL COST RECOVERY

Internal cost recovery is used to record the recoveries (credit offsets) when indirect cost pools are distributed to direct programs. This avoids the double counting of expenditures (once when charged to the cost pool and again when allocated to direct programs). Departments that perform cost accounting use this category.